

FISCAL NOTE

HB 3204 - SB 3420

March 10, 2006

SUMMARY OF BILL: Establishes the “Chiropractic Coverage Equality Act of 2006” which requires that an insured or insurance subscriber is entitled to reimbursement for any service that is within the scope of practice of a duly licensed chiropractor.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$360,000

Increase Local Govt. Expenditures – Exceeds \$100,000*

Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$640,000

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Insurance plans that do not currently provide coverage for chiropractic services will have a significant increase in premiums. Such could exceed \$100,000.

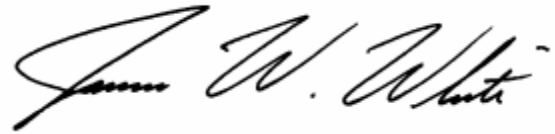
Assumptions:

- Currently, the TennCare program only covers chiropractic services when they are determined to be a cost effective alternative. In FY 2005, reimbursement to 543 providers totaled \$728,000.
- There would be an increase to the reimbursement to these licensees and an increase in the number of chiropractors on the TennCare program. If there is a 50% increase in reimbursements to chiropractors, it will result in an increase in expenditures which exceeds \$1,000,000 (\$360,000 in state funds at a match rate of 36% and \$640,000 in federal funds at a match rate of 64%).
- Each of the state sponsored health insurance plans presently provide benefits for services rendered by chiropractors.
- Local govt. plans that do not currently cover chiropractic services would incur an increase in expenditures exceeding \$100,000.
- The Department of Commerce and Insurance will not incur a significant increase in expenditures from additional administrative and enforcement costs.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director